

Transformation Roadmap

*Transformation in Support
of the Future Force*



Director's Foreword

The Defense Logistics Agency's *Transformation Roadmap* is our plan and commitment to dramatically improve warfighter support at a reduced cost through business process re-engineering, workforce development, technology modernization and organizational change.

Over the past two years, DLA has exceeded performance records in virtually all key business areas: highest supply material availability, lowest customer wait times and lowest cost recovery rates. These records are clearly evidenced in the unparalleled support DLA provided America's warfighters during Operation Iraqi Freedom.

Despite these achievements, a real and compelling case can be made that DLA must press forward with transformational change. First, it is right for our ultimate customers,

America's warfighters, who expect, demand and deserve dramatically improved support at less cost. The services' ability to shift resources from infrastructure to force structure and improve readiness depends on us. Furthermore, the on-going transformation in the nature of warfare dictates an accompanying transformation in logistics support.

Second, it is right for the nation's taxpayers. While DLA achieved significant cost reductions in recent years, more can be done. As stewards of the public trust, it is incumbent upon the agency to leverage best business practices to achieve all appropriate savings.

And finally, it is right for DLA. As the Defense Department's only Combat Logistics Support Agency, DLA has a broad-based, joint service mission. However, numerous governmental and commercial activities oper-

ate in or at the margins of DLA's mission area. If we do not maintain a strong, best-value edge we will lose sales and the economies of scale that are critical to our remaining the warfighter's most effective and efficient provider.

Transforming logistics is a continual process and not an end state. We are leaving behind our legacy business model and organizational structures and transforming to become:

- a robust customer-focused agency with world class military service and warfighter partnering capabilities;
- a manager and integrator of the supply chains essential to military readiness with world class commercial supplier partnering capabilities; and
- a single, fully integrated enterprise.

To achieve this, we have undertaken 13 transformational programs. No single program is transformational by itself. Each leverages the capabilities of the others. Delivery of all the programs is necessary for full realization of the agency's transformation.

DLA's senior leadership, and indeed the entire DLA team, can justifiably take great pride in the agency's remarkably outstanding performance in recent years. We are committed to extending that superb performance into the future and to transforming the agency. This is not an either-or situation. We must do both. The agency's senior leaders, including me, have personally assumed the responsibility and accountability for leading the extended DLA workforce to deliver on both these commitments. I am confident we will succeed.



KEITH W. LIPPERT
Vice Admiral, SC, USN
Director

Executive Summary

The Defense Logistics Agency has embarked on a transformation journey unlike any other in its history. This *Transformation Roadmap* documents in a single publication the portfolio of plans and programs underway to execute DLA’s role in the Department of Defense (DoD) overarching transformation strategy. Great care has been taken to ensure DLA’s transformation remains aligned with the direction and initiatives outlined in OSD guidance. Further, DLA’s transformational initiatives fully support future requirements of the warfighter by directly linking to the seven challenge areas and supporting logistics capabilities outlined in the Joint Staff Focused Logistics Joint Functional Concept document.

This transformation will fundamentally alter DLA’s core business model, supporting processes and systems architecture. At the core business model level, customer focus, supply chain management and seamless partnering constitute transformation. A key contribution is organizational alignment. In the

past DLA operated as a traditional holding company, where a number of semi-autonomous activities such as its Inventory Control Points and Distribution Centers reported to a centralized headquarters staff. The agency has taken the strategic

“Forget logistics, you lose.”

- LTG Fredrick Franks, USA, 7th Corps Commander, Desert Storm

steps required to establish a single, tightly integrated organizational structure where DLA is, and is perceived to be, one enterprise.

In order to advance the agency’s contributions to warfighter readiness DLA is implementing 13 key initiatives, which will transform its people, practices and systems to better meet the needs of the customer at reduced costs. The agency is committed to sustaining high levels of current mission support throughout this transition and to delivering unprecedented levels of service and support. Each initiative is described with enough detail and substance so the reader may clearly understand the program’s primary objectives, how each program makes an essential contribution to the overall transformation and that realization of all the initiatives will, in fact, transform the agency. The 13 key initiatives include:

Customer Relationship Management (CRM) is accomplished through the deployment of a portfolio of service and Combatant Commander engagement capabilities designed to more accurately predict future military requirements, define mutually agreed upon levels of support for those requirements, and then precisely monitor the level of actual performance achieved. CRM is the combination of skilled DLA employees, advanced customer interaction processes and technology that refines – from the warrior’s view point – the right item, right place, right time.

Supplier Relationship Management (SRM) involves the management, synchronization and integration of the supply chains essential to effectively and efficiently meet the services' materiel requirements. While CRM will provide the highly refined definition of future requirements, SRM will orchestrate America's industrial base to ensure those requirements are fully met at the least possible cost.

Business Systems Modernization (BSM) is re-engineering DLA's internal materiel management processes to best business practices by replacing decades-old software with commercial-off-the-shelf solutions. BSM is the engine or heart of the transformation. It delivers an integrated set of software applications running on a single hardware platform that all of the agency's transformational initiatives will leverage as they are developed and deployed. The tangible benefits BSM brings to the warfighter include: improved materiel availability, reduced customer wait time, reduced cost and improved data integrity.

Distribution Planning and Management System (DPMS) will improve the visibility and management of materiel en route to and from DLA and in the agency's warehouses, facilitating the seamless flow of materiel and the associated information from the point of origin to the point of consumption.

Integrated Data Environment (IDE) will replace the Department's Joint Total Asset Visibility capability and ensure the seamless sharing of data throughout DLA and between DLA and its customers, regardless of the information technologies or architecture the customers employ.

The other seven initiatives include: *Business Systems Modernization Energy*

(BSM E); National Inventory Management Strategy (NIMS), *Global Stock Positioning* (GSP), *Executive Agent* (EA), *Product Data Management Initiative* (PDMI), *Workforce Transformation* (WT), *Reutilization Modernization Program* (RMP) and *Base Realignment and Closure* (BRAC). Together, these 13 initiatives are the agency's commitment to improved customer support at a reduced cost. They are designed to meet the evolving needs of the warfighter and the ever changing nature of warfare.

The agency is investing approximately \$2.1 billion in these transformational initiatives. In addition to the promise of improved warfighter support, the agency has committed to return \$ 3 billion to the military services over the Fiscal Year Defense Plan (FY05-11). Total agency savings includes benefits from transformation and other DLA initiatives. Additional savings to the Department resulting from implementation of BRAC recommendations under DLA's oversight will be another \$1.8 billion.

Essential to these 13 initiatives is a governance structure to guide the agency through this massive change. A section of this *Roadmap* is devoted to DLA's governance structure and the relationship of key organizations that are driving change at DLA. With a strong foundation of leadership, vision and 13 initiatives to transform, DLA is achieving a revolution in military logistics.

“The line between disorder and order lies in logistics.”

- Sun Tzu

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Cover illustrates DLA transforming with the customer

Introduction

DLA's Role in National Security

The United States *National Security Strategy (NSS)* documents the nation's plan to achieve and maintain security and prosperity in the years ahead. The goal of the *NSS* is to "help make the world not just safer, but better." To achieve this goal, eight strategies are laid out. One of the eight strategies – to "transform America's national security institutions to meet the challenges and opportunities of the twenty-first century" – serves as the overarching tenet for DLA's transformation.

"Amateurs talk about tactics, but professionals study logistics."

- Gen. Robert H. Barrow, USMC
Commandant of the Marine Corps
Noted in 1980

Among the sources of America's vast national power is its ability to deploy the men and women of our armed forces to any location on the planet and to sustain them there in an exceptionally high state of war fighting readiness, indefinitely. No other nation on earth possesses a similar capacity to project

power in the defense of its national interests. The successful deployment and sustainment of the military forces is wholly dependent upon the superior personal readiness of our Soldiers, Sailors, Airmen and Marines; the outstanding readiness of the aircraft, ships, tanks and other platforms essential to combat; and the nation's ability to sustain readiness, regardless of the locale or duration.

DLA's critically important role in national security is clearly reflected in the fact that the mili-

tary services rely on the agency for 100 percent of their subsistence items, medical materiel, construction and barrier materiel, footwear and protective garments...all the essentials of personal readiness. DLA also provides 100 percent of the services' world-wide fuel and energy requirements ... the essential elements of force projection. And DLA provides approximately 95 percent of the repair parts the services require to keep their equipment in top-notch flying, driving and steaming readiness. Finally, DLA provides for the appropriate reuse opportunities and final disposal of excess military property including hazardous items and military unique items. DLA's skillful management of this mission is an essential ingredient in overall military readiness and required for successful deployment and sustainment of American forces.

DLA's joint service combat support responsibility is both immense and unique. This year DLA's customers will spend more than \$30 billion on DLA products and services – some 21 percent of DoD's Operation and Maintenance Budget Plan.

DLA is the bridge between the warfighter and the American industrial base, the underlying source of the nation's military power.

The DLA Enterprise: (as of Aug 05)

FY 04 Sales/Services: \$28B
FY 05 Projection: \$31.3B

Scope of Business

- 54,000 Requisitions/Day
- 8,200 Contracts/Day
- #54 Fortune 500 – Above Walt Disney
- #2 in Top 50 Distribution Warehouses
- 26 Distribution Depots
- 5.2 Million Items
- 24.7M Annual Receipts and Issues

Transformation and the Department of Defense

The *National Defense Strategy of the United States of America* (NDS) supports the NSS by establishing a set of overarching defense objectives that guide DoD's security actions and provides direction for the *National Military Strategy* (NMS).¹ It builds upon the Quadrennial Defense Review (QDR) process and addresses President Bush's focus on preparing DoD to meet 21st century challenges. The NDS details four implementation guidelines, one of which is "Continuous Transformation."

The NDS states the purpose of continuous transformation "is to extend key advantages and reduce vulnerabilities." DLA's transformation has the same purpose. Through 13 key

"The war on terrorism imparts an urgency to defense transformation; we must transform to win the war"

- The National Defense Strategy of the United States of America

initiatives, DLA will extend key advantages in the logistics field while reducing vulnerabilities. Future challenges will be met by refocusing capabilities and retraining human capital to be more agile. This requires both programmatic and organizational changes. DLA understands this vast span of transformation and has addressed process, technology, information management, organization, work-force skill and culture, and other transformational issues in its plan.

The NMS is the Joint Chiefs of Staff direction for how the armed forces will support the NSS and NDS. It has three priorities:

- Win the War on Terrorism,
- Enhance ability to fight as a joint force, and
- Transform the armed forces.

As with the NSS and NDS, the NMS continues to place emphasis on transformation. The NMS extends transformation to logistics and specifically mentions Focused Logistics (FL) as the strategic concept that defines broad joint logistics capabilities that are necessary to deploy, employ, sustain and re-deploy forces across the full spectrum of operations.²

The *Department of Defense Logistics Transformation Strategy*, further outlines the logistics transformation strategy required by the FY 06 Strategic Planning Guidance in a to-be published Focused Logistics Roadmap.

Three key logistics concepts provide the foundation for DoD's logistics transformation:

- Focused Logistics (FL)
- Force-Centric Logistics Enterprise (FLE), and
- Sense and Respond Logistics (S&RL)

Focused Logistics is the ability to provide the joint force the right personnel, equipment, supplies and support at the right time and place.

The Focused Logistics Joint Functional Concept (FL JFC) defines capabilities under seven Tier II challenge areas that are required to effectively project and sustain U.S. forces. Appendix B of this *Roadmap* contains a matrix chart linking DLA's transformation initiatives

¹ The National Military Strategy of the United States of America, 2004.

² Department of Defense Logistics Transformation Strategy, 10 December 2004

“Sustaining and increasing the qualitative military advantages the United States enjoys today will require transformation – a transformation achieved by combining technology, intellect and cultural changes across the joint community.”

- The National Military Strategy of the United States of America

The DLA transformation strategy directly supports and aligns with the *NSS, NDS, NMS and DoD Logistics Transformation Strategy*.

to the Tier II capability areas and more than 40 Tier II capabilities.

FLE is DoD’s mid-term vision to accelerate logistics improvement, enhance support to the warfighter and align logistics processes with the operational demands of the 21st century.³ FLE encompasses six initiatives, one of which is Executive Agent. Executive Agent is also a DLA transformation initiative that will be further explained in this *Roadmap*.

S&RL is a network-centric concept that sustains reconfigurable force capabilities and provides precise, agile support for commander’s intent. It senses, predicts, anticipates and coordinates actions to provide competitive advantage.⁴

³ Ibid
⁴ Ibid

Transforming DLA

As the Department of Defense transforms to meet current and future threats, so will DLA. The agency must engage in a more focused, collaborative approach to customer and supplier relations, satisfying their dynamic requirements with state-of-the-art system solutions. And it must do so in a united fashion, so that all DLA organizational entities operate under the same exceptional standards as one enterprise.

Thirteen key initiatives have been identified as essential for this transformation. These initiatives directly support the agency’s four Strategic Plan goals, as shown on the chart on next page.

Each of these initiatives will be explored within the contents of this *Roadmap*. These initiatives bridge the gap between the customer, the agency and the suppliers. They will take the agency to a point where it becomes a seamless partner in the overall supply chain, providing the key integration necessary to support tomorrow’s warfighter.

The success of these initiatives is imperative. Logistics will be transformed.

“Bitter experience in war has taught the maxim that the art of war is the art of the logistically feasible.”

- ADM Hyman Rickover, USN

Transformation Initiatives Links to DLA Strategic Plan Goals

Initiative	Goal 1: <i>Provide responsive, integrated best value supplies and services consistently to our customers.</i>	Goal 2: <i>Develop and institutionalize the internal processes required to deliver value-added logistics solutions to the warfighter.</i>	Goal 3: <i>Ensure our workforce is enabled and empowered to deliver and sustain logistics excellence.</i>	Goal 4: <i>Manage DLA resources for best customer value.</i>
Customer Relationship Management	X	X		
Supplier Relationship Management	X	X		X
Business Systems Modernization	X	X	X	X
Business Systems Modernization Energy		X		
Distribution Planning and Management System	X	X		X
Integrated Data Environment		X	X	
National Inventory Management Strategy		X		X
Global Stock Positioning	X	X		X
Executive Agent	X	X		
Product Data Management Initiative		X	X	
Workforce Transformation			X	X
Reutilization Modernization Program		X		
Base Realignment and Closure				X

DLA's Transformation Initiatives

Delivering the Vision

Customer Relationship Management (CRM)

Customer Relationship Management will transform DLA into a more customer-centric organization, providing DLA with the requisite processes, procedures, skills and tools to support customers in a more structured and collaborative way. Although DLA has been steadily improving interaction with its customers for years, efforts have not been integrated and the approach to customer engagement has been fragmented. The CRM program brings a more cohesive, systematic and focused approach to customer interaction across the agency and will enable a more consistent delivery of value to customers.

Additionally, DLA will increase

the overall level of support and customer satisfaction by understanding and predicting customers needs. With an improved understanding of customer needs and a better means for sharing and using customer knowledge across the enterprise, DLA will be better positioned to work with suppliers to obtain required support, resulting in enhanced readiness for the warfighter. The four main CRM goals are outlined in the chart below:

CRM Goals & Objectives

1. Build a Customer Centric Culture

(Surround customer with processes, policies, and capabilities)

- Understand customers (360 degree view)
- Create formal customer rule policies and disciplines
- Create formal sales policies and disciplines
- Create formal marketing policies and disciplines
- Build DLA capabilities integrated with the customers' supply chain

2. Customer Retention and Market Expansion

(Maintain current and seek new customers)

- Understand customers (360 degree view)
- Create formal customer rule policies and disciplines
- Create formal sales policies and disciplines
- Create formal marketing policies and disciplines
- Build DLA capabilities integrated with the customers' supply chain

3. Create Brand Loyalty

(Serve customers well)

- Define the DLA Brand
- Reinforce the brand through every customer interaction

4. Reduce Cost-to-Serve

(Most effective supplier)

- Take workload to the most efficient and effective channel
- Encourage customers to use the most effective and/or preferred channel
- Leverage technology for efficient gains
- Develop shared business service model for common service across activities
- Realize productivity gains through standardization of processes supported by technology

*“Gentlemen,
the officer who
doesn’t know
his communica-
tions and sup-
ply as well as
his tactics is
totally useless.”*

- GEN
George S. Patton,
USA

The CRM strategy implements leading business practices for structured *service*, *sales* and *marketing* processes.

Structured and standardized *service* processes will help DLA provide timely and effective issue resolution and allow DLA to deliver on its customer commitments. A single enterprise-wide process will be established for defining, categorizing and man-

aging customer issues from start to finish, resulting in the identification, capture, management and resolution of customer issues.

Structured and standardized *sales* processes will be accomplished through the design and implementation of more effective account management processes and tools that will enable the creation, management and execution of joint enterprise account plans. These account plans will enable a more structured collaborative relationship with customers. DLA will also improve service to customers by designing, implementing and automating consistent enterprise sales processes and methodologies to drive ownership and reporting during the pursuit and execution of business opportunities. This will improve DLA’s ability to identify customer needs and engage the appropriate resources to pursue the right solution in response to those needs.

Structured and standardized *marketing* processes will allow DLA to more effectively reach out to its customers to better understand their needs. Standardized processes will also provide improved means to convey to customers the collective capabilities of DLA, helping DLA attract new customers and retain existing ones.

Through CRM, DLA expects to achieve the following:

- Increased knowledge of customer’s needs.
- Easier customer access to DLA.
- More timely and accurate reporting on key customer metrics.
- Tailored solutions based on customer unique needs.
- Enhanced ability to improve readiness and customer satisfaction at a reduced cost.
- Increased ability to support DoD strategies of Focused Logistics.
- Increased effectiveness in managing customer expectations and agency investments.
- Enhanced collaboration through collecting and sharing information across the enterprise.
- Reduced customer complaints.

By implementing CRM, the agency will have a more systematic, focused approach to customer interaction across the enterprise and will be better positioned to meet customer expectations.

Supplier Relationship Management (SRM)

Supplier Relationship Management is a strategy to build two-way relationships with key suppliers as a way to evaluate and manage supplier capability and jointly solve problems. It is the overarching business philosophy DLA will incorporate in working with industry to improve support to the warfighter. This is a critical element in the shift from managing supplies to managing suppliers. This strategy is critical to DLA achieving “the right item, at the right time, at the right price”.

SRM involves the entire enterprise and provides structure to the supplier facing tools being developed. The figure below identifies some of the key components of SRM, but it is not meant to be all inclusive. Some of these components are discussed in more detail below:



Among the initiatives beneath the umbrella, Tailored Vendor Relationships (TVR) and Supplier Collaboration are two that will provide technological capability to SRM. TVR will standardize the transactional processes for customers that have a direct relationship with the vendors (i.e., customers who order directly from vendors). TVR will capture orders via Electronic Data Interchange (EDI) transactions from the customer. For customers lacking EDI capability, orders can be placed in the traditional manner (e.g., telephone, facsimile, email, etc.), and the vendor will pass the order to DLA via an EDI transaction.

Supplier Collaboration will provide suppliers with a method to review DLA’s supply plans through the use of a commercial web-based tool. Supplier updates will be compared to DLA’s supply plans providing DLA with more accurate insight into suppliers’ capabilities and suppliers with more insight into DLA’s needs.

The enhanced relationships made possible through SRM, will allow DLA to be more responsive to customer needs. These relationships are characterized by high trust, mutual respect, two-way communication, shared risks and rewards, and the ability to deal with differences constructively. The key is to build understanding with a high level of commitment within the partnership leading to a win-win for all parties involved.

Not all supplier relationships will be the same, nor should they be. Some suppliers, such as large Original Equipment Manufacturers (OEMs), will require a high level of direct communication and day-to-day relationship management and maintenance. Long-term mutually beneficial partnerships known as Strategic Supplier Alliances (SSA) are formed with these suppliers.

As of August 2005, DLA has formed SSAs with 27 suppliers. In addition, DLA is developing Supply Chain Alliances (SCA) with the next tier of suppliers. Although not requiring the same level of management and interaction, partnerships formed with this tier of suppliers will expand the alliance possibilities to suppliers of a predominantly competitive nature, as well as OEM suppliers not included as an SSA.

Supplier report cards will capture performance metrics for analysis that, in turn, will support the agency’s Key Performance Indicators (KPI). Long-term benefits of SRM include:

- Reduced delivery times
- Inventory savings
- Reduced total ownership costs
- Two-way communication with suppliers
- Leveraged buying power across the enterprise

In addition to quantitative metrics, SRM looks to implement a qualitative scorecard as a means to measure the more qualitative aspects of any given relationship. This will be a joint tool, as recommended by industry, to perform two-way evalua-

tion in areas such as frequency of communication and level of flexibility.

The SRM relationships will be managed by the Strategic Material Sourcing Group (SMSG) and Integrated Supplier Teams (IST). Within the SMSG, the Supplier Relationship Manager is the key interface and point of contact between DLA and an assigned SSA. SCA relationships are currently being defined. The figure below outlines how the SMSG, SRM and ISTs work together to achieve agency objectives.

SRM is a pivotal change in DLA’s business model. As such, it involves developing new skill sets - those of leading diverse groups to consensus, identifying improvement opportunities, managing supplier partnerships, and most critically, acting as the primary face to the suppliers to ensure warfighter readiness, as well as meet peacetime requirements. This is a paradigm shift from DLA’s traditional transaction-based relationships. With emphasis placed on Workforce Transformation, and commercial and government training programs, DLA continues to invest in it’s workforce capabilities to meet the challenge.

Strategic Material Sourcing Group (SMSG)	Supplier Relationship Manager (SRM)	Integrated Supplier Team (IST)
Develops sourcing strategies	Primary POC for key supplier	Develops and monitors Key Performance Indicators (KPIs) and Balanced Score Card (BSC)
Analyzes product, customer, and supplier information strategies	Initiates, develops, and monitors partnership with key suppliers	Executes and administers transactional workload
Contingency planning/industrial preparedness	Collaborates with National Account Managers (NAMs) and Customer Account Managers (CAMs)	Works with SRM in collaboration with services

Business Systems Modernization (BSM)

Business Systems Modernization is the most significant information technology and re-engineering effort in the Defense Logistics Agency today. It is DLA's program to replace the agency's 1960 vintage materiel management systems with commercial-off-the-shelf (COTS) software. BSM is an Enterprise Resource Planning (ERP) and Supply Chain Management system that will replace the agency's legacy systems with a state of the art system (both business processes and technology) linking the entire supply chain from customer to supplier.

This major re-engineering effort crosses all agency supply chains (e.g., subsistence, construction, medical, etc.) to provide greatly improved end-to-end materiel, financial and procurement management. BSM brings a commercially available business software solution that provides consistent and timely information for decision-making and performance measurement; automates and integrates business processes; produces and accesses data in a near real time environment; and shares common data across the enterprise. BSM moves DLA from a manager of supplies to the much more effective manager of supply chains.

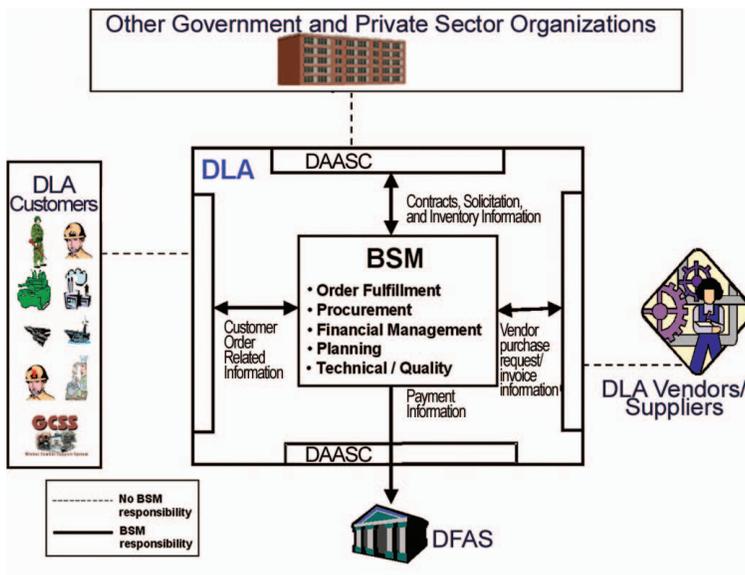
In order to implement the reengineered business process and maximize the benefits of BSM, DLA is creating a new organizational structure and a new job model which emphasizes distinct customer and supplier support by establishing customer facing and supplier facing organizations. Employees are trained for new jobs and placed in the new BSM organizations with specific focus on either the customers or the suppliers. This represents an enormous cultural shift resulting in the need for a robust change management program to prepare employees and assess organizational change readiness at various stages of BSM implementation.

BSM business functionality consists of five basic core processes that represent the key functions in supply chain management:

1. Planning (both Demand and Supply Planning)
2. Procurement
3. Order Fulfillment
4. Financial Management
5. Technical /Quality Management

Within these five core processes, BSM brings improved and/or new capabilities to the DLA employee to interact, support and meet the warfighter's requirements. Critical functional improvements in capability include:

- Identifying future military service needs through collaboration and improved demand plan accuracy;
- Ensuring inventory is available when and where it is needed with optimized inventory levels and reduced response times;
- Paying vendors based on receipt through a single contract writing application with visibility of long-term contracts across the enterprise;
- Delivering quick-order turnaround and improved tracking and tracing of customer orders;



- Complying with Chief Financial Officer standards and practices;
- Streamlining item introduction into the supply chain; and,
- Standardizing business process improvements across the enterprise.

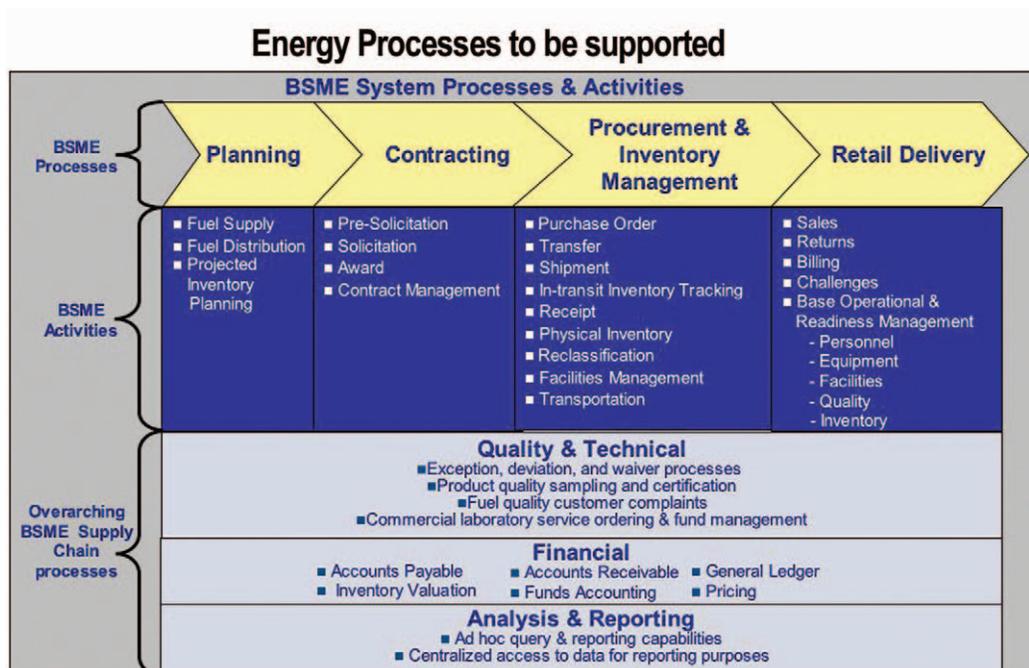
Through these re-engineered processes and improved capabilities, DLA will reduce inventory, reduce cycle times, improve customer service and operate on uniform policies, procedures, and metrics.

Throughout FY 2005, BSM implementation has been extremely successful. DLA's worldwide subsistence supply chain and representative items across DLA supply chains being managed within BSM account for annual sales over \$5 billion. The logistics response time for items managed within BSM has improved by approximately 16 percent; and the time from receipt of requisitions to Material Release Order has been reduced from hours to minutes. Further, business performance metrics are within thresholds established by the functional community, and the system is exceeding availability targets, with user accessibility and system availability consistently at 100 percent.

Business Systems Modernization Energy (BSM E)

Business Systems Modernization Energy, formerly known as Fuels Automated System, is an information management system that supports DLA's current and expanding mission with timely and accurate information for decision-making in planning and executing energy management. Similar to BSM, it uses COTS software to perform its mission. BSM E supports the business functions of acquisition and contract management, supply management, facilities management, financial management and decision support for all offices.

BSM E was developed in response to OUSD (AT&L) 1992 direction that DLA not only manage the wholesale fuel supplies but also assume management of the retail level stocks for posts, camps and stations. The information systems available at the time did not have the hardware and software performance capacity required to accomplish this change. Another major factor for development of BSM E was the need to establish an integrated supply chain management system for fuels, to replace the fragmented processes and systems that were currently in place.



BSM E benefits include:

- Increased fuel accountability for fuel transactions at all Defense Fuel Supply Points and retail point of sale data collection sites.
- Decreased data processing time through the use of modern automation techniques compatible with EDI standards.
- Integration of new fuel technology systems (automatic tank gauges, automatic leak detection and reporting systems) into BSM E.
- A mechanism for specialized customer support through customized terminal interfaces which allow user-generated database queries on accounts.
- Use of telecommunications assets that promote real-time or near real-time data processing.
- Integration of a COTS financial module.
- Development of an energy information management systems migration process for technical modernization of platforms and implementation of best business practices.

With DLA fuel customer accounts increasing from 4,000 to 14,500 customers during the period FY 00 - FY 04, the move to BSM E was essential for conducting business.

Distribution Planning and Management System (DPMS)

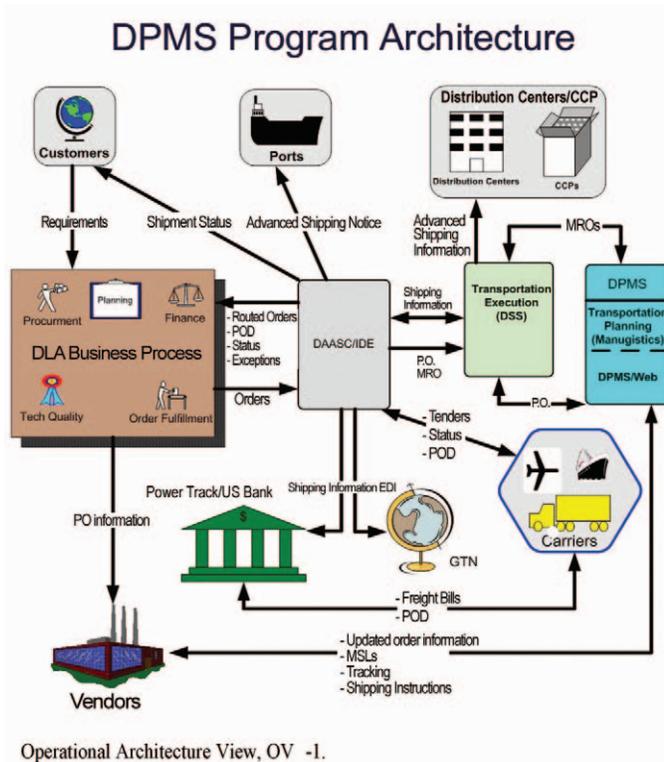
The Distribution Planning and Management System uses a combination of COTS and government-off-the-shelf (GOTS) software for improved stock coordination, visibility and positioning. The result is a better management of product move-

ment from vendors to DLA and customers and from distribution centers to customers. DPMS will provide DLA with the means to collect and access continuous real-time information on the location, movement and status of equipment and supplies, and includes the ability to act on that information.

DPMS supports DLA's commitment to fuse logistics and transportation information, improving Customer Wait Time (CWT) and Time Definite Delivery (TDD), providing rapid crisis response through improved visibility, tracking and shifting of assets while in route, and delivering tailored logistics in both peacetime and wartime. This capability includes movement within the Continental United States (CONUS) and outside the Continental United States (OCONUS), including materiel being returned to stock or for demilitarization/disposal. This allows DLA to realize its goal of providing global end-to-end distribution management.

DPMS will provide the following capabilities:

- Optimize shipments using greater consolidation through cross docking, multiple pickups and drop-offs.
- Better tracking and traceability of shipments.
- Produce advance shipping notices to customers, Consolidation Containerization Points (CCPs), Distribution Centers, and Ports of Embarkation (POE).
 - Produce standard documentation such as linear and 2D bar-coded military shipping labels, bills of lading, and export shipping documentation that will expedite movement to customers.
- Real-time access for all military shipping addresses.



Integrated Data Environment (IDE)

The Integrated Data Environment will employ a COTS information technology architecture, which will provide industry-proven logistics transaction processing, information sharing and state-of-the-art central data-brokering capabilities. The Department of Defense relies on the Information Technology (IT) services provided by DLA's Defense Automatic Addressing System Center (DAASC), Defense Logistics Information Service (DLIS) and Defense Logistics Management Standards Office (DLMSO) for centralized data-brokering, reference data and logistics business rule support. These centralized services are vital to DoD logistics business transactions and data sharing, as well as the enterprise transformation efforts of DLA. The IDE will leverage, synchronize and improve these capabilities, expanding DoD logistics information services. The principal benefit of the IDE is the reduction of the number of system-to-system data interfaces and the operational cost associated with these interfaces. The IDE will also provide suppliers and consumers assured access to:

- Supply chain management data,
- Centrally managed metadata,
- Authoritative sources of data, and
- Centralized DoD logistics business rules.

IDE will support interfaces between systems (including legacy systems) within the logistics community to provide improved functionality for back-office processes and user communities via a services-oriented architecture. More importantly, IDE will provide a single point of access and exchange for DLA systems and other DoD authoritative sources of logistics data.

Specifically, the IDE program objectives support DLA's legacy, contemporary and emerging systems and business applications by providing:

The benefits from implementation of DPMS include:

- Material shipped to the right place at the right time.
- Reduction of frustrated freight.
- More efficient use of Dedicated Truck.
- Improved Customer Wait Time/Logistics Response Time.
- Intransit visibility of shipments
- Real-time addressing.
- Reduction in transportation costs.
- Automated proof of shipments.
- Reduction of re-orders due to "missing" shipments.

To meet the warfighter's demands for timely service at a guaranteed low cost, DPMS has engaged electronic commerce strategies to automate consolidation, tracking, performance monitoring and freight payment process.

- Facilitated information exchanges between DLA and trading partners (military services, defense agencies, federal agencies, allies and commercial trading partners) systems and databases which support business processes - regardless of location, context or format- in near real-time.
- Controlled access and retrieval of authoritative data, regardless of origin, supporting decision-making activities to optimize logistics processes.
- Data interoperability supported by logical development, logistics business rules, authoritative metadata and common data standards.

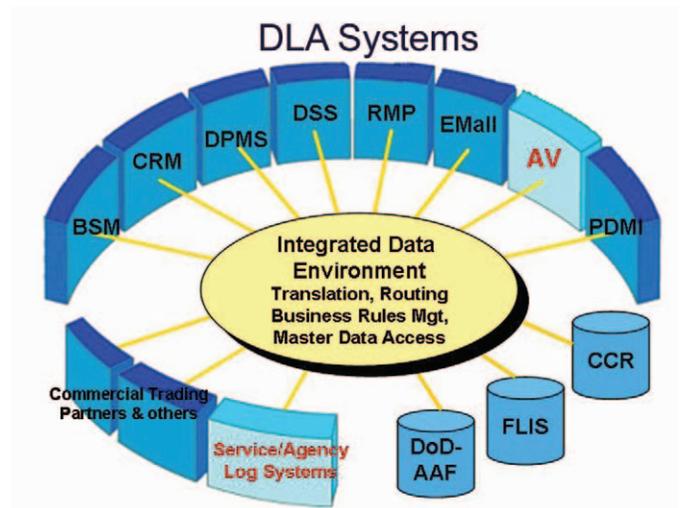
The IDE will provide a logistics data exchange capability designed to support DLA and DoD globally during peacetime and wartime operations. The objective of IDE is to provide timely data exchange, provide relevant and reliable data for systems' use, ensure data integrity and provide adequate scalability to handle emergency operations data surges.

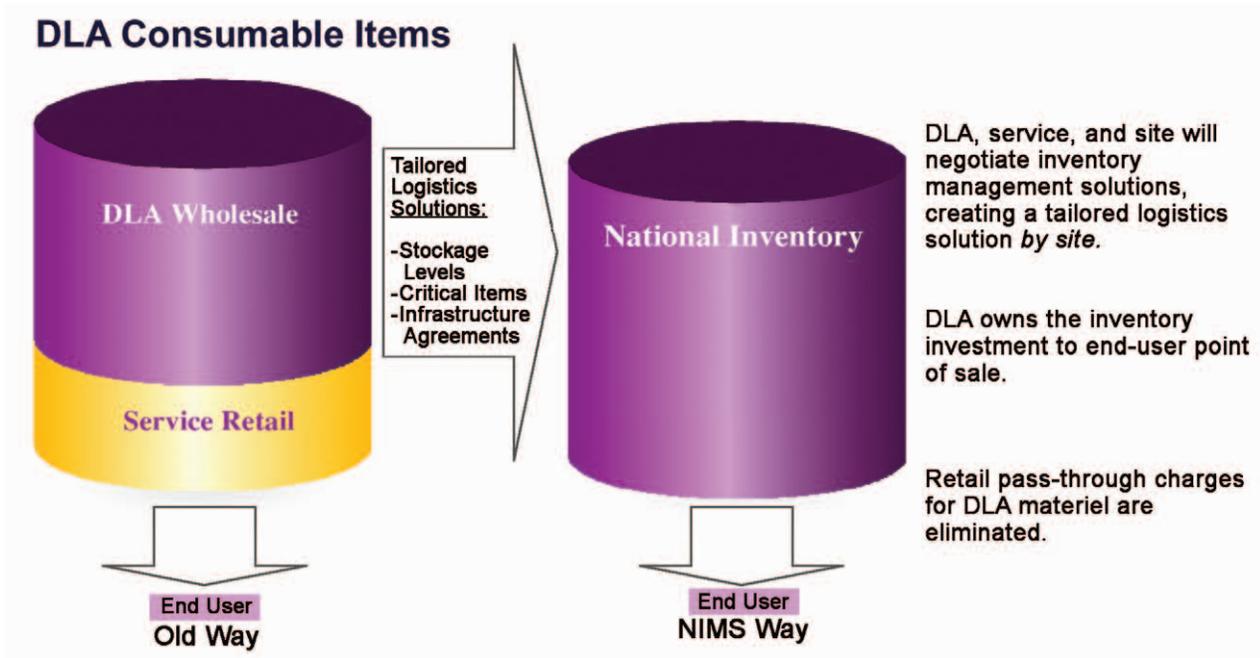
IDE will manage several challenges to mitigate risk to the DLA transformation initiatives and the DoD logistics domain. These challenges include:

- Access to authoritative sources of data – IDE will not be a repository of data, but rather will provide access to authoritative data sources based on the establishment and maintenance of accurate interface control documents (ICD) and performance-based agreements (PBA) .
- Security issues associated with data aggregation. Security constraints may limit IDE exchange of data based on the sensitivity of information aggregated for the users. IDE will comply with the DoD National Information Infrastructure security policies and directives.

- IDE is DLA's designated Global Combat Support System (GCSS) Family-of-Systems (FoS) representative; providing a single point of access to GCSS for all DLA data. The IDE and GCSS relationship will be configuration controlled to fulfill this vital obligation.
- IDE will enable improved logistics functional processes. Because the data, metadata and business rules supporting functional business change regularly, a formal change control process will be employed to manage these changes.

As shown in the figure below, IDE will provide a virtual data environment, providing a pivotal information exchange utility which fully supports the logistics enterprise. As such, IDE will provide the central facility of bridges and gateways for control and access to DLA-managed logistics information and authoritative sources of data and for interaction with other logistics Automated Information Systems.





National Inventory Management Strategy (NIMS)

The National Inventory Management Strategy is DLA's initiative to extend consumable item supply chain responsibility from the wholesale level to the point of consumption. Through NIMS, DLA will transform itself from a manager of supplies to a manager of complete supply chains. Instead of merely a wholesale view, DLA will take supply management from factory to the point of hand-off to the ultimate customer.

The goal of NIMS is to merge wholesale and retail inventories into a national inventory that can be managed in a more integrated manner. By providing tailored inventory solutions for individual service logistics requirements, services can reduce redundant inventory. The result will be lower overall DoD inventory and inventory management costs and a direct reduction in services' investments without a reduction in support.

Benefits of NIMS include:

- Greater control and visibility of the entire supply chain. This will help to improve forecasting, reduce backorders and enhance investment decisions.
- Greater partnership with customers, resulting in improved customer support.
- Greater partnership with suppliers, to leverage commercial capabilities where they provide best value.
- Lower overall DoD inventory costs.
- Elimination of redundant inventories at retail/wholesale levels, allowing the services to re-allocate investments to other purposes.
- Improved asset visibility by having a single inventory manager.
- Reduced wait times through increased stock effectiveness.

BSM and CRM are both key components of NIMS and are vital to its success. Without the appropriate systems upgrades and key communications with customers, NIMS would not be possible.

Global Stock Positioning (GSP)

The DLA Global Stock Positioning strategy is a portfolio of capabilities designed to ensure the right inventory is at the right locations at the right time for the least cost. The underlying goal is to achieve an efficient system structure that is responsive to the customer and allows DoD to significantly reduce levels of inventory and costs of operations while still maintaining warfighter readiness. Stock positioning policies balance the trade-offs between customer responsiveness, aggregate stockage, and distribution and transportation costs.

There are three basic premises upon which DLA's stock positioning policies are based:

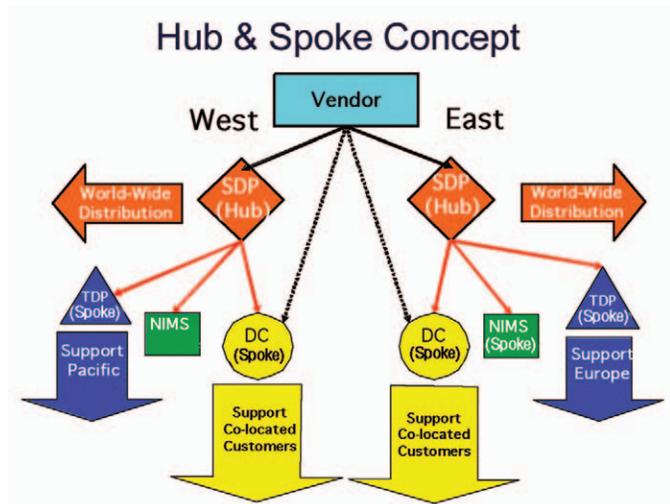
- Materiel will be stocked only in the minimum number of distribution centers necessary.
- Materiel with well-defined or predictable demand patterns will be co-located with the customer.
- Materiel with special handling requirements or less well-defined demand patterns will be centrally stocked.

One outcome of GSP is the focus on Strategic Distribution Platforms (SDPs), which have inventories to support customer demands of global breadth and depth. These sites, acting as hubs, are located at New Cumberland, Pa. and San Joaquin, Calif. (BRAC 2005 may affect the number of SDPs.) Aggregation of stock at the SDPs enhance DLA's ability to negotiate truck delivery contracts for high volume CONUS customers and provide one to two day service at one-eighth of the cost for premium air service.

Another element of GSP is the co-located distribution centers, which focus on stocking materiel needed to support the missions of the on-installation customers. These distribution centers are stocked with materiel that has predictable and frequent demand. Support is tailored to the maintenance missions of the co-located customers with complementary goals of reducing customer wait times and minimizing costs through the use of sur-

face transportation. As the BSM rollout progresses, customers of co-located distribution centers will see more and more of their items being supplied by co-located distribution centers. At the end state, working with the customer, as much as 85 percent of the co-located customer demand is expected to be satisfied by the co-located distribution center.

Together SDPs and co-located distribution centers provide a Hub and Spoke concept of support.



GSP supports OCONUS customers by providing forward stock sites tailored to each theater of operation and its deployed forces. Stock is positioned at these sites to provide an in-theater source for demand-supported items to reduce customer wait time and to ensure increased readiness for all services. It also saves transportation dollars by diverting shipments from premium airlift to scheduled surface replenishment. DLA currently has two Theater Distribution Platforms (TDPs) located in Yokosuka, Japan, and Germersheim, Germany, and four Forward Distribution Depots in Pearl Harbor, Hawaii; Sigonella, Italy, Guam and Kuwait.

By implementing GSP, DLA is ensuring that the right inventory is at the right locations to meet warfighter requirements. The results: reduced costs, reduced customer wait times, improved warfighter readiness and a reduced logistics footprint.

Executive Agent (EA)

The Director of DLA has been designated by the Deputy Secretary of Defense as the DoD Executive Agent for Subsistence, Bulk Fuels, Construction and Barrier Materiels, and Medical Materiel. DoD EA designation for Clothing and Textiles is pending. As DoD EA, the Director of DLA is the focal point for providing continuous, sustainable and global end-to-end supply chain support as required by end users. The DoD EA ensures effective support throughout operations by developing coordinated processes and support plans for transition from peacetime to wartime and/or contingency operations.

Department of Defense Directive 5101.1 DoD Executive Agent defines EA as the “head of a DoD component to whom the Secretary of Defense or the Deputy Secretary of Defense has assigned specific responsibilities, functions and authorities to provide defined levels of support for operational missions, or administrative or other designated activities that involve two or more of the DoD components.” EA builds upon and accelerates specific, ongoing military service, Combatant Commander (COCOM) and agency initiatives to meet the requirements of the QDR and the *NDS*. But most important, EA helps provide improved, uninterrupted, efficient and effective support to the warfighter.

DLA’s involvement with EA started when the Deputy Under Secretary of Defense for Logistics and Materiel Readiness tasked DLA to lead Joint Integrated Process Teams (JIPT) to draft Concepts of Operation (CONOPS) and DoDDs for the Class I - subsistence, Class III -bulk fuels, Class IV - construction/barrier materials, and Class VIII - medical materiel supply chains. Later in December 2002, Program Budget Decision (PBD) 425 directed DLA to perform an EA assessment of the Class II - clothing and textiles supply chain. The efforts of DLA-led joint work groups has thus far resulted in the Deputy Secretary of Defense

designating the Director of DLA as DoD EA for Class I, III, IV and VIII. The following figure provides the current status of each initiative:

Classes of Supply	Status
Class I Subsistence	DoDD 5101.10 - Sep 2004
Class II Clothing & Textiles	Anticipate EA Designation - in 2005
Class III Bulk Petroleum	DoDD 5101.8 - Aug 2004
Class IV Construction and Barrier Materiels	DoDD 5101.12 - July 2005
Class VIII Medical Materiel	DoDD 5101.9 - Aug 2004

(current as of August 1, 2005)

DLA’s EA implementing strategy is to continue the effective EA collaborative process that was used in the development of the EA CONOPS and directives. This was accomplished through the use of JIPTs comprised of members from OSD, joint staff, COCOMs, military services and other DoD Components.

DLA’s new DoD EA responsibilities, in coordination with the COCOMs, military services and the Joint Chiefs of Staff, include the following:

Class I

- Establish relationships and define expectations for Class I support.
- Establish theater requirements/field feeding plan.
- Provide product delivery to COCOM designated hand-off point(s).
- Ensure physical protection of prime vendors.
- Monitor, assess and report supply chain readiness (metrics).
- Establish a joint subsistence policy board.
- Develop and field the common food management system.

Class III

- Establish/chair DoD Component Steering Group.
- Manage the supply chain from procurement to end point customer sale.
- Establish/maintain an integrated management information system.
- Standardize handling equipment, training, quality policy and procedures.
- Manage common tactical petroleum equipment upon agreement with the military services.
- Engage in planning activities.

Class IV

- Plan for, procure, manage and supply construction / barrier material required by DoD components.
- Participate in the development and implementation of a joint planning tool for consolidating construction/barrier material requirements, in coordination with the Chairman of the Joint Chiefs of Staff.
- Participate in the planning, development and implementation of joint processes to support total visibility of construction/barrier material requirements throughout the supply chain.
- Establish a joint Class IV council, under the chairmanship of the DoD EA for Construction/Barrier Material, as a mechanism to coordinate and resolve Class IV related issues.

Class VIII

- Establish the strategies, relationships, and expectations for class VIII support through Performance-Based Agreements.
- Synchronize requirements and commercial capabilities.
- Establish a single computation and management process, and tools for surge and sustainment requirements.
- Extend the Defense Working Capital Fund to Theater Lead Agents.
- Consolidate investment in war reserve materiel surge and sustainment materiel.
- Monitor, assess and report supply chain readiness (metrics).

Implementation is well underway for the first three commodities (Class I, III, and VIII). DLA has conducted “Rock Drills” in collaboration with all affected DoD Components to jointly identify gaps and seams that exist in the Class I, IV and VIII supply chains. A recent rock drill was conducted in collaboration with U.S. Transportation Command (USTRANSCOM), and its component command, the Surface Deployment and Distribution Command. The EA rock drills have been successful in bringing together strategic, operational, and tactical elements of the supply chain to simultaneously engage across organizational boundaries, and to identify and resolve issues for the warfighters.

DLA-led EA JIPTs are actively engaged in formulating solutions for identified gaps and seams. They are in the process of developing commodity EA implementation plans of actions and milestones (POA&M) and will recommend courses of action to the EA. They will initiate and submit necessary business and program change proposals to DLA and participate in the Joint Capability Integration and Development System (JCIDS) process as necessary to implement EA improvements for the warfighter.

Some expected and derived benefits of assigning EA responsibility include:

- improved support to the warfighter and increased operational effectiveness;
- a standard definition of EA;
- a focal point to orchestrate the EA supply chains;
- clarification of key roles and responsibilities
- up-front planning, full collaboration and coordination;
- joint material management and requirements determination;
- resources to do the job;
- end-to-end supply chain performance measurement and reporting;
- increased interoperability and material standardization; and
- optimal integration of commercial capabilities into military processes.

EA directly supports DoD’s Logistics Transformation, the Focused Logistics Joint Functional Concept and OUSD AT&Ls plan to implement a distributed and adaptive logistics capability.

Product Data Management Initiative (PDMI)

The Product Data Management Initiative is DLA's strategy for transforming the agency's technical and quality business process and associated capabilities. The technical and quality business process is one of the five core business processes comprising DLA's overall BSM strategy. DLA's technical business processes are focused on identifying the "Right Item" to ensure customers get the correct part for their specific requirements in a timely, cost effective and reliable manner.

The success and effectiveness of the technical business process in DLA and the ability to get the "Right Item" for its customers, is largely dependent upon the quality, accuracy and completeness of the technical or product data concerning an item. Product data includes the written description, technical specifications and manuals, operating procedures, manuals, maintenance and support information, and the actual engineering drawings that are essential to designing, buying, using and maintaining items of supply, including weapon systems parts. DLA currently manages this data with some automation, but primarily through manual processes and procedures, which results in frequent interrupts and discontinuities. Automating and re-engineering these processes will provide a significant contribution to DLA's ongoing business transformation efforts.

The PDMI program is focused on ensuring engineering correctness in the products which DLA buys and manages, as well as ensuring the highest quality for these products. PDMI, when complete, will deliver an enterprise-wide product data/product life cycle management and collaboration system. It will deploy COTS software and reengineered business processes adapted from commercial best practices that provide:

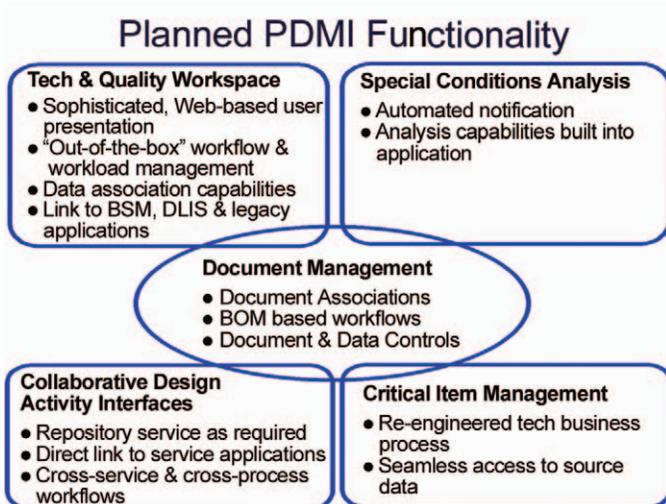
- a single virtual workspace for all technical users;
- a standardized, enterprise-wide business process supporting all product and product data specialists and related staff;

- a fully automated, modernized, and re-engineered set of technical business processes that will significantly contribute to and improve DLA's overall cross-function and cross-process responsiveness to its customers;
- automated management of technical and product data used in support of DLA managed items;
- technical business processes, including links to technical specifications, drawings, manuals and transaction data;
- complete visibility into all product and technical data associated with DLA items, including the ability to provide this visibility to DLA's customers in coordination with the CRM initiative;
- a reliable ability to exchange documents and forms with service design activities;
- a reliable, robust, and seamless interface with BSM's SAP application, which will enable true cross-process functional flows;
- a reliable, robust and wholly automated document management function to support both PDMI and the BSM suite of applications, including bidset and bill of materiel (BOM) support;
- a replacement for Joint Engineering Data Management Information and Control System (JEDMICS) based on contemporary technologies; and
- a COTS and standards based application that will provide cost-effective sustainment and enhancement capabilities.

When integrated with the BSM suite of applications, Federal Logistics Information System (FLIS) and design activity applications, PDMI will provide the technical user a transformed, seamless, real-time flow of data and information that will enable significant improvements in process and data visibility, process responsiveness, accuracy and quality of results. These improvements will enhance DLA's overall ability to respond to its customers and meet specific demands in a timelier, and cost effective manner.

There are both qualitative and quantitative benefits that will accrue to DLA as a result of the

transformation of technical business processes associated with the implementation of PDMI. The qualitative benefits will be derived from re-engineering of technical business processes and the associated automation and management of product data. These changes will result in quicker and more accurate responses concerning engineering issues which affect procurement actions. In addition, both DLA and its customers will realize significantly higher levels of visibility throughout DLA's technical business processes and much improved business work flows. Quantitative benefits will accrue from a lower overall cost of technical business operations. In addition, DLA anticipates there will also be some personnel savings from the implementation of PDMI.



Workforce Transformation (WT)

Workforce Transformation is a portfolio of strategic initiatives addressing critical human resource issues facing the agency. The initiatives are designed to make DLA a more customer-focused, world-class, employer of choice. This initiative is important to ensure the DLA workforce is enabled and empowered to deliver logistics excellence. Initiatives include:

- **Competency Assessment and Management Tool (CAMT).** The goal of the CAMT is to ensure DLA has the right knowledge and skills to accomplish its mission. This tool identifies the required

competencies in a particular job series, assesses employee and supervisor skills and provides a competencies gap analysis for employees and supervisors.

- **Enterprise Leader Development Program (ELDP).** The ELDP is a comprehensive program for the entire agency in developing and improving leadership skills in employees at all levels. It also promotes competence in DLA's potential leaders, those who have yet to be placed in leadership roles or supervisory jobs, but who will carry the torch into tomorrow. The foundation of the ELDP is the Leader Development guides. Each guide focuses on different leadership roles (non-supervisor, new supervisor, supervisor of 2 – 10 years, supervisor more than 10 years and senior executive service level). These guides include a variety of feedback and relationship-based, experience-based and education-based activities to improve leadership. They provide tools and ideas to help employees create a development plan that is customized. Research has shown that creating a development plan is one of the most overlooked, yet beneficial steps in leader development.
- **Climate Survey.** The DLA Climate Survey assesses overall employee morale and job satisfaction. It also evaluates several metrics related to the DLA Strategic Plan and Balanced Scorecard in order to provide feedback to leaders and managers to help improve the climate of their business areas. The intent is to improve the climate in DLA to assist in the transformation to a world-class organization.
- **Culture Survey.** The Culture Survey is based on the well-respected Denison Culture Model. This model identifies the desired culture, compares DLA's results to other high-performing organizations, and then provides suggestions for improvement in areas that are scored low. The model identifies four organizational culture traits that have a significant impact on performance. A group of "Culture Champions" within DLA work to improve common culture issues in the agency.
- **Multi-Source Feedback (MSF).** MSF is a process of providing anonymous, questionnaire-based feedback to each DLA supervisor on leadership behavior from his or her peers, employees and supervisor. The tool is linked to the Denison culture model and is often referred to as 360 degree feedback. Starting in 2005 DLA initiated

these surveys for all of its supervisors. Although a time-intensive task, this feedback will ultimately lead to improved leadership performance for supervisors by identifying areas where they need improvement.

● **New Performance Appraisals.** Implemented in 2003, the new performance management system for DLA supervisors/managers enhances individual and organizational performance by setting clear expectations, providing managerial support, fostering open communications, and linking individual performance with organizational objectives. The foundation of DLA's Performance Management System rests on the following four guiding principles:

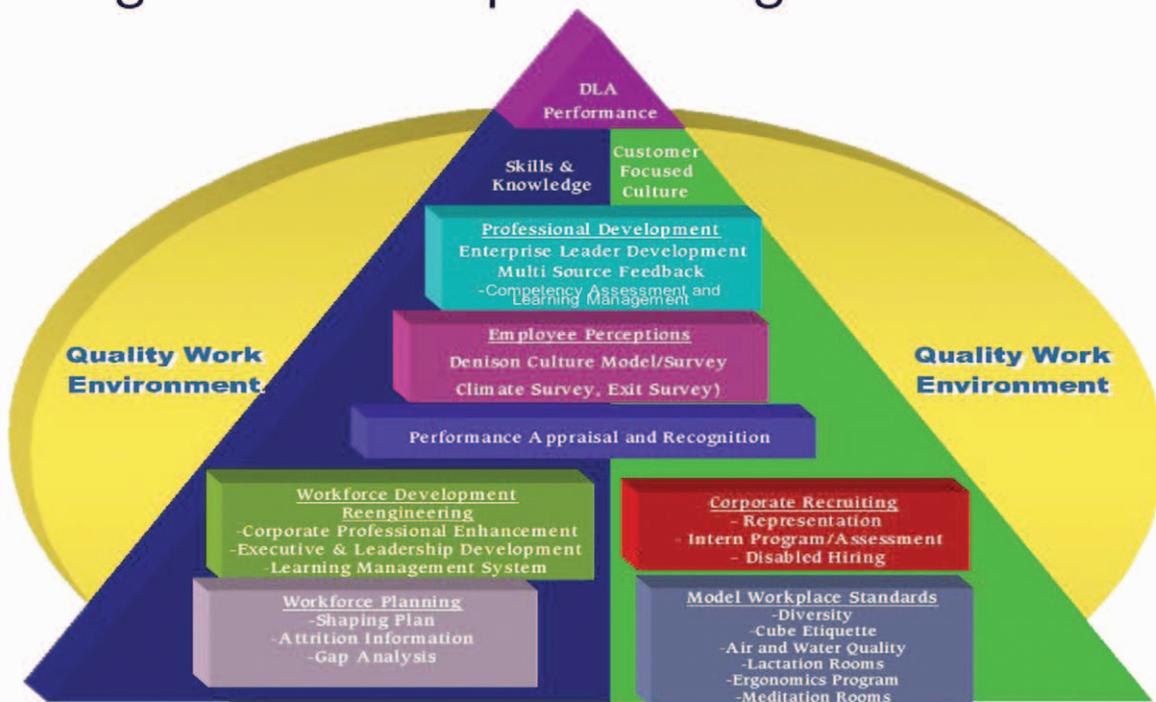
1. Strengthening the linkages between Performance Management and DLA's mission, strategic business goals, business plans and balanced measures.
2. Shifting the focus of performance man-

agement from a single event (the annual performance rating) to a systematic, ongoing process that supports DLA's culture and enhances results.

3. Changing the perception of performance management as a time-consuming, stressful human resource activity to a process for helping achieve business objectives.
4. Ensuring long-term success by balancing the achievement of results with specific managerial actions taken to achieve them.

Through these initiatives, DLA will transform its workforce into a top-performing organization. DLA's mission and function is to provide best value logistics support for America's warfighter, in peace and war. The comprehensive array of initiatives, generated by the human resource strategies, benefits the entire DLA workforce and ensures that the mission and functions of DLA are accomplished. Therefore, the ultimate (indirect) beneficiaries of the program are the nation's Armed Forces.

Strategic Human Capital Management Initiatives



Reutilization Modernization Program (RMP)

The Reutilization Modernization Program is DLA's strategy to replace the current DRMS IT systems with a solution based on best business practices and COTS software products. RMP will fully integrate all Information Technology (IT) for the Defense Reutilization and Marketing Service (DRMS) into the overall IT solution set for DLA. RMP will leverage the efforts already completed and underway within the agency (such as BSM) to incorporate DRMS information needs into the DLA end-state architecture.

Specific goals of RMP include:

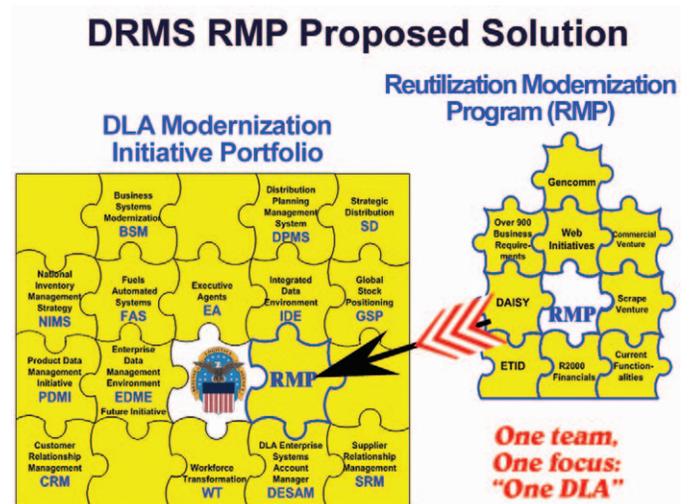
- Integrating with DoD supply chain systems, contributing to DoD's overall ability to provide asset visibility, and identifying and managing items that pose potential security risk.
- Enabling DRMS to become financially compliant.
- Supporting the enterprise architecture through the use of the Portfolio Management Process.
- Increasing data visibility within the DLA/DoD environment in order to enhance accountability and increase reutilization of excess property.
- Enabling DRMS to continue business transformation to a customer-focused corporate culture.
- Collaborating with suppliers to obtain advanced property information for disposal decisions and to ensure appropriate reutilization of excess property in lieu of new buys.
- Providing proactive disposal planning serv-

ices to include integration of disposal planning and reutilization of assets as part of a holistic logistics systems.

- Linking to DLA and DRMS Balanced Scorecard goals.
- Aligning with the Business Systems Modernization concept and DLA IT solutions.
- Providing robust analytical capabilities.

RMP, as a DLA Acquisition Category (ACAT) III program, is currently in Phase A of the acquisition process with a Milestone B review in October 2005. A Fit-Gap analysis between DRMS business requirements and COTS based functionality (BSM, CRM among other 'targets') was completed in August 2005. Following Milestone B approval, RMP will move into the COTS integration process.

When deployed, RMP will integrate DRMS business processes and information needs into the overall DLA IT solution to achieve an enterprise-wide business system.

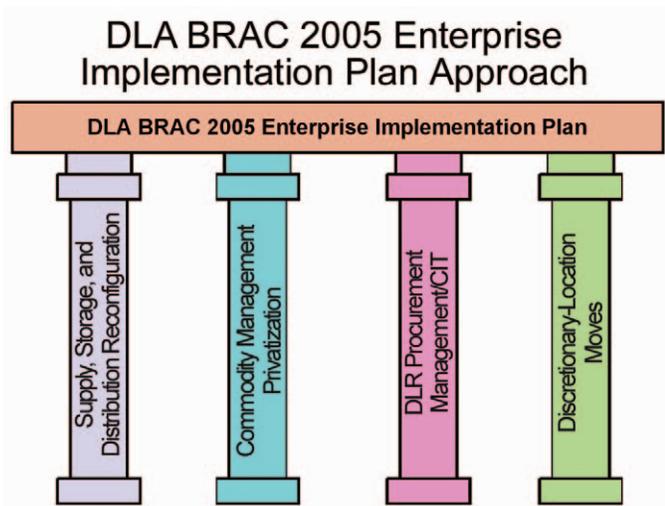


Base Realignment and Closure (BRAC)

The BRAC 2005 recommendations, if approved, provide DLA with additional transformation mandates that provide for the elimination of unnecessary infrastructure that can be directly converted to DoD's war-fighting resources. Providing DLA with a singular opportunity to reshape our infrastructure and optimize our ability to support the war on terror, BRAC 2005 recommendations affecting DLA focus on four major implementation pillars:

- Supply, Storage and Distribution Reconfiguration
- Commodity Management Privatization
- Depot Level Repairable Procurement Management and Consumable Item Transfer
- Discretionary-Location Moves

These four pillars are the supporting foundation of the DLA BRAC 2005 Enterprise Implementation Plan.



Supply, Storage and Distribution

Reconfiguration: This DLA BRAC 2005 pillar implements a hub-and-spoke concept of operations throughout the Continental United States by establishing four regional Strategic Distribution Platforms (SDP) and redesignating the remaining DLA distribution depots as Forward Distribution Points (FDP).

Commodity Management Privatization:

This DLA BRAC 2005 pillar transfers the management responsibilities for all DoD tires, packaged petroleum and lubricants, and compressed gas to DLA. Further, DLA will develop and execute plans to privatize the functional responsibilities associated with these commodities.

Depot Level Repairable Procurement Management and Consumable Item Transfer Pillar:

- **Depot Level Repairable Procurement Management:** DLA will assume centralized procurement responsibility for depot level reparable for DoD.
- **Consumable Item Transfer:** Responsibility for management of the remaining consumable items, with the exception of design unstable items, will transfer from the military services to DLA.

Discretionary-Location Moves: This DLA BRAC 2005 pillar addresses relocation of other DLA activities such as the Defense Energy Support Center, Document Automation & Production Service, and the Defense Reutilization and Marketing Service. These activities may not be specifically addressed in the BRAC 2005 recommendations for losing or realigning bases but are critical to support ongoing operations at the realigning or gaining bases.

DLA's BRAC 2005 execution of approved recommendations will ensure efficient and effective use of DoD resources; improve operational efficiency; save taxpayer dollars; advance DLA transformation and enhance the combat effectiveness of

Enterprise Initiatives Timeline

Transformation Initiative	FY05	FY06	FY07	FY08	FY09	FY10
Customer Relationship Management (CRM)						
IOC		X				
FOC				X		
Supplier Relationship Management (SRM)						
SRM Structure/Business Rules Finalized		X				
Business Systems Modernization (BSM) – FOC		X				
Distribution Planning & Mgt System (DPMS) – FOC	X					
Business Systems Modernization Energy (BSM E)						
FOC			X			
Integrated Data Environment (IDE)						
IOC	X					
FOC			X			
National Inventory Management System (NIMS)						
Navy – 2nd pilot initiation	X					
USMC - 1st pilot initiation				X		
Army – 1st pilot initiation			X			
Air Force – 1st pilot – TBD						
Global Stock Positioning (GSP)						
DDC Korea Opens	X					
DoD Executive Agent (EA) designations						
CL I, III, IV and VIII complete						
CL II C&T	X					
Product Data Management Initiative (PDMI)						
IOC			X			
FOC						2Q11
Workforce Transformation (WT)						
Integrated Skills & Learning Mgt System/Gap Analysis				X		
Multi-source Feedback					X	
Enterprise Leader Development		X				
Nat'l Security Personnel System (NSPS)			X			
Implementation/Deployment						
Reutilization Modernization Program (RMP)		X				
Milestone B approval						
Milestone C approval			X			
IOC			X			
FOC					X	
Base Realignment and Closure (BRAC)						
FOC						FY11

Governance

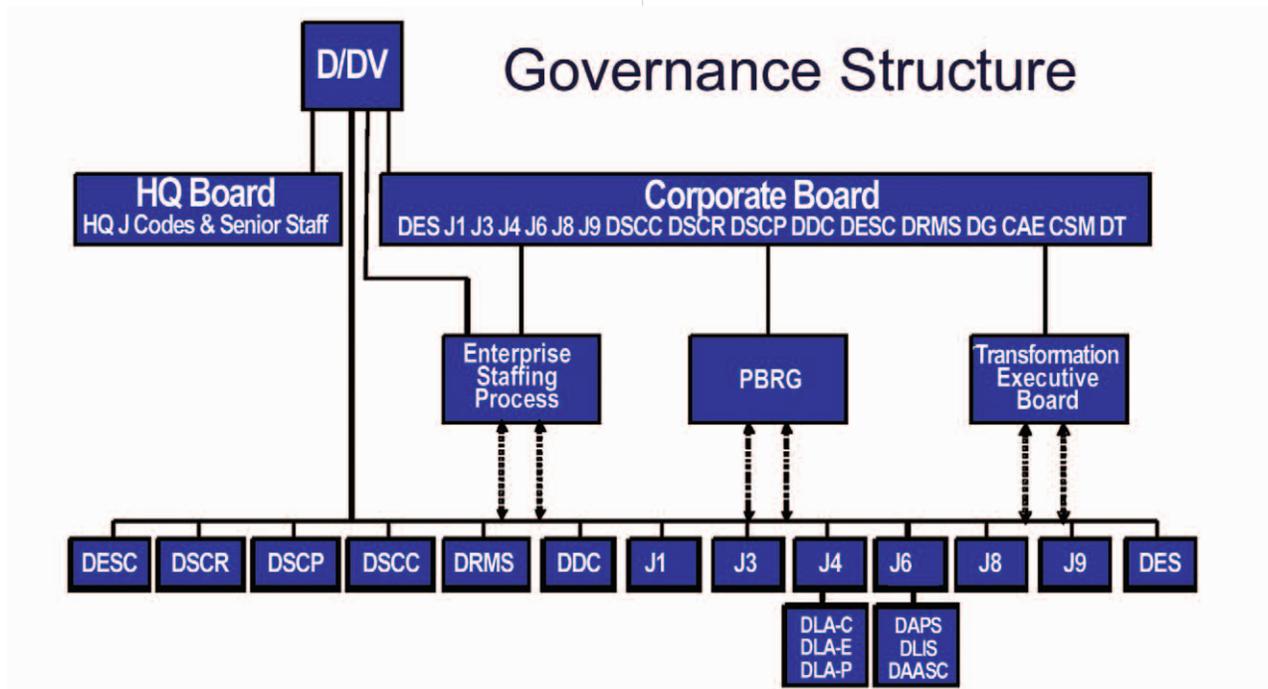
Governance Structure

The DLA governance structure ensures the agency has an agile, efficient and effective enterprise-wide structure for governing its performance, business process improvement initiatives and transformation commitments. The agency's business model is undergoing fundamental change to achieve overarching strategic goals and objectives. Processes are being re-engineered; old technology is being replaced with a COTS-based, integrated portfolio of applications running on a single platform; and organizations, functions and personnel are being realigned.

Absent an agile governance mechanism, the agency would be less responsive to opportunities in the environment. DLA's governance structure, shown below, addresses the agility issue, as well as the other objectives mentioned above.

DLA Corporate Board

The Corporate Board is the standing body the Director turns to for advice and counsel in governing agency business and executing the DLA transformation imperatives. It has the authority, responsibility and accountability for setting DLA's vision and overseeing all facets of the agency's strategic direction. This includes the full range of execution issues associated with both current business performance and DLA's portfolio of transformation initiatives. As such, this board owns the agency's Strategic Plan, Balanced Scorecard and Enterprise Business Plan. The board conducts periodic reviews of the agency's progress in business processes, business re-engineering, systems information technology enhancements, performance management, organization alignment, workforce transformation, change management and command culture/climate. A more detailed description of Corporate Board roles and responsibilities is at Appendix C.



Transformation Executive Board (TEB)

The Transformation Executive Board is the agency's team of senior civilian leadership, who have the oversight responsibility for the successful delivery of the agency's long-term transformation commitments. It is responsible to the Director and Corporate Board for executing the long-term transformation elements of the agency's strategy identified in this *Roadmap*. This board's collective responsibility is for ensuring the transformation elements of the Strategic Plan are integrated, synchronized and delivered. The complexity of each of the individual transformational initiatives to which DLA is committed requires a truly exceptional level of horizontal collaboration among the various headquarters and field activities.

The DLA J-6, as one example, is responsible

“Only a commander who understands logistics can push the military machine to the limits without risking total breakdown.”

**- MAJ GEN
Julian
Thompson,
Royal Marines**

for delivering BSM systems capabilities, yet they are unable to execute this responsibility absent the full support of the field and other J-codes. Since the field commands and other J-codes are called upon to provide business rules, commit substantial resources to the effort and operate the new systems, they require visibility and a voice in what capabilities the J-6 will deliver, when and at what cost. Herein, lies a primary role of the TEB. It should be emphasized that this

role does not include or imply involvement in the J-6's execution of its day-to-day business responsibilities. Adding further to the requirement for horizontal collaboration is that BSM is just one of numerous, complex transformational initiatives, most of which are inextricably interwoven through one of the following: business rules, processes, IT, metrics/reports, knowledge, training and transfer, organization, customer engagement, and competition for limited financing and limited personnel. The charter for the TEB is at Appendix D.

Supply Chain Integration (SCI) Group

The Supply Chain Integration group has the responsibility, authority and accountability to support the TEB as it executes DLA's transformation strategy, including:

- assuring the agency's end-state vision for BSM is delivered;
- facilitating re-engineering of processes;
- ensuring coordination and integration among transformation/modernization efforts where they relate to BSM;
- serving as a standing forum for enterprise communication;
- shaping the corporate culture to attain the DLA vision; and,
- providing the direction and focus to ensure that transformation efforts contribute to an enterprise-wide architecture (both business and systems architectures).

The SCI is made up of leaders from across the agency, to include both headquarters and field activity personnel. The group meets twice a month to share information and discuss key transformation efforts affecting the agency. A more detailed description of SCI roles and responsibilities is contained in Appendix E.

Transformation and The DLA Strategic Management System

DLA's transformation is closely tied to the agency's Strategic Management System, specifically the DLA Strategic Plan, the Balanced Scorecard and the Enterprise Business Plan. The DLA Strategic Plan covers four major goals with supporting objectives. These goals are:

1. Provide responsive, integrated best value supplies and services consistently to our customers.
2. Develop and institutionalize the internal processes required to deliver value-added logistics solutions to the warfighter.
3. Ensure our workforce is enabled and empowered to deliver and sustain logistics excellence.
4. Manage DLA resources for best customer value.

The major thrusts of transformation are: a single tightly integrated enterprise, strong customer focus and strong supplier focus. The milestones and deliverables for transformation are included as objectives in the agency's strategic goals. There is full synchronization between the transformation goals and initiatives and the DLA Strategic Plan.

The Balanced Scorecard (BSC) is the agency's tool for managing the execution of strategy to achieve performance results and is the performance plan required by MID 901. DLA uses the BSC to provide performance measurement for the agency utilizing the goals of the Strategic Plan as its base. Progress is evaluated from several dimensions to ensure both a full picture of actual progress and early insight into related challenges or problems – a solid management review process.

The Business Plan represents those specific projects, tasks and deliverables that have evolved from the Strategic Plan and are due for completion in the next 24 months. Each quarter, the near term events in the Enterprise Business Plan and Balanced Scorecard are evaluated, issues are identified and resolved and guidance is given when needed.

The strategic goals of DLA's transformation objectives and the overarching mission of the TEB are to deliver a single, tightly integrated enterprise that excels in customer-driven logistics and supply chain integration; thereby, resulting in a seamless partner in the extended DoD supply chain.

Summary

“My logisticians are a humorless lot...they know if my campaign fails, they are the first ones I will slay.”

- Alexander

In each of the initiatives discussed in this *Roadmap*, a simplified picture of the functions was included. It is important to recognize the interdependence of these programs. One of the most challenging operational and technical issues is the requirement to fuse these initiatives together and system engineer the parts so that the needed information can be exchanged by different users or between different transformation programs. The IDE program plays a vital role in making these

interfaces and information exchanges work. These interdependencies clearly reinforce the need for a single, agile enterprise.

As separate but interrelated efforts, CRM and SRM naturally complement BSM. DLA cannot successfully modernize tools and processes contained in BSM without the customer and supplier connection – they complete the supply chain from end-to-end. BSM is a vital tool to help carry out CRM and SRM, which are mirror images of each other. CRM integrates the processes, tools and organizations to provide customer-focused responsiveness for the entire supply chain. SRM provides the supplier face necessary to meet the customer’s requirements and provides customers with accurate and timely information.

To further enhance customer support and BSM capabilities, DLA has been designated as EA for several supply chains. This leverages the

partnerships developed through SRM in order to improve the customer relationships achieved with CRM. Likewise, NIMS also takes advantage of BSM technology and SRM ties to better support the customers by offering additional support packages and truly end-to-end support from factory to foxhole.

BSM E and RMP utilize IT solutions to integrate with the BSM suite for improved energy management and reutilization services, respectively.

DPMS and GSP are two distribution initiatives that will support CRM and SRM. DPMS will enhance our distribution network in order to provide improved visibility and information to our customers and suppliers. And GSP will make sure supplies are positioned in the right place for customer support. With all of these initiatives, a common language is needed for seamless interface. IDE will translate our entire suite of software so DLA, customers and suppliers can share information effortlessly.

BRAC brings new opportunities and challenges to DLA. Effective implementation of DLA’s transformation initiatives will ease the BRAC transition and enable the new missions DLA will inherit.

The foundation for all of these initiatives is the DLA workforce. Through Workforce Transformation, DLA will ensure that each employee and supervisor is properly trained, works in a world-class environment and has the leadership required to succeed.

However, transformation of processes is not enough. The governance of DLA has also changed in order to support these new tools, processes and communications transformations.

The new structure provides a management structure where each directorate of DLA is directly involved in changes and key developments within the agency, and is provided an opportunity to discuss and participate in the future direction of the enterprise. The TEB is in place to manage the many varied transformation initiatives to make sure they complement each other and produce improved performance.

The results of this endeavor will be a greatly transformed Defense Logistics Agency, fulfilling the vision of the future.

Vision of the Future - DLA in 2010

By 2010 transformational changes will be complete and a few years of operational experience with these new capabilities will have been achieved. This vision addresses the outcomes of DLA's transformation.

DLA logistics operations are recognized as the best in DoD. Further DLA has been designated as one of the top five logistics operations in the country. Customer satisfaction consistently exceeds 90 percent. Stock availability is running higher than 90 percent. DLA customer wait times are at record low levels and below any other defense organization. Cost recovery rates hover around 12.5 percent, dramatically lower than 18 years ago.

Relationships with customers have grown strong and changed in character. The implementation of BSM provided an integrated supply chain with many commercial best practices. The system provides full visibility and control of any order in the supply chain. CRM capabilities have allowed DLA to achieve partnership relationships with most customers, including on-line electronic information exchange. Supply chain integration has been extended directly to the customer and demand planning is now done collaboratively. The results are much more

accurate procurements, lower customer costs and higher stock availability.

Supplier relationships have been strengthened to integrate DLA's supply chain to the OEMs and their subcontractors. With better demand and supply planning, improved job ordering and stocking of supplies has been achieved. The unit cost of supply items and their transportation costs are lower. DLA works closely, as a partner, with the supplier to project demand requirements, expedite priority shipments, optimize distribution, and award longer term contracts for supply deliveries.

DLA has the suite of state-of-the-art hardware and software infrastructure capabilities that interface easily with customer and supplier information systems. Changes already implemented by DLA have strengthened planning and execution of both deployment and sustainment. DLA transformation initiatives have generated profound changes in logistics, moving from reactive supply support to proactive practices where customer demand is anticipated. The power of information age logistics has clearly improved force readiness, precise logistics support and interoperability across combat support and with combat forces.

DLA employee professional skills are enhanced. Young professionals view DLA employment as a highly desirable "internship" in the logistics field. The workforce embraces change and shapes it to a successful outcome, resulting in job enrichment and more challenges and rewards for employees. The positive evolution of DLA culture is a learning model for all of DoD.

"He conquers who endures."

- Aulus Persius Flaccus, 34-62 A.D.

Appendices

Appendix A - List of Acronyms

ACRONYM	MEANING
AT&L	Acquisition Technology and Logistics
BOM	Bill of Material
BRAC	Base Realignment and Closure
BSC	Balanced Scorecard
BSM	Business Systems Modernization
BSM E	Business Systems Modernization Energy
CAM	Customer Account Manager
CAMT	Competency Assessment and Management Tool
CCP	Consolidated Containerization Point
CLS	Contractor Logistics Support
COCOM	Combatant Commander
CONUS	Continental United States
COTS	Commercial-Off-The-Shelf
CRM	Customer Relationship Management
CWT	Customer Wait Time
DAASC	Defense Automatic Addressing System Center
DAPS	Defense Automation and Production Service
DDC	Defense Distribution Center
DDJC	Defense Depot San Joaquin, CA
DDSP	Defense Depot Susquehanna, PA
DES	DLA Enterprise Support
DESC	Defense Energy Support Center
DFAMS	Defense Fuels Automated Management System
DFAS	Defense Finance and Accounting Service
DLA	Defense Logistics Agency
DLA-C	DLA Central
DLA-E	DLA Europe
DLA-P	DLA Pacific
DLIS	Defense Logistics Information Service
DOC	Desired Operational Capability
DoD	Department of Defense
DoDD	DoD Directive
DPMS	Distribution Planning and Management System
DPO	Distribution Process Owner
DRMS	Defense Reutilization and Marketing Service
DSCC	Defense Supply Center Columbus
DSCP	Defense Supply Center Philadelphia
DSCR	Defense Supply Center Richmond
DSS	Distribution Standard System
DT	Enterprise Transformation Office
DWG	Distribution Working Group
E2E	End-to-End
EA	Executive Agent
EDI	Electronic Data Interchange
ELDP	Enterprise Leader Development Program
ERP	Enterprise Resource Planning

ACRONYM	MEANING
FL	Focused Logistics
FLE	Future Logistics Enterprise
FLIS	Federal Logistics Information System
FLR	Focused Logistics Roadmap
FOC	Full Operational Capability
FY	Fiscal Year
GSP	Global Stock Positioning
IDE	Integrated Data Environment
KPI	Key Performance Indicator
KT&T	Knowledge Training and Transfer
ISR	Internal Support Review
IST	Integrated Supplier Team
JEDMICS	Joint Engineering Data Management Information and Control System
J-1	Human Resources
J-3	Logistics Operations
J-4	Customer Operations and Readiness
J-6	Information Operations
J-8	Financial Operations
J-9	Joint Reserve Force
JV	Joint Vision
KM	Knowledge Management
KPI	Key Performance Indicator
MILSVCS	Military Services
NAM	National Account Manager
NIMS	National Inventory Management System
OCONUS	Outside the Continental United States
OEM	Original Equipment Manufacturer
OFT	Office of Force Transformation
OSD	Office of the Secretary of Defense
OUSD	Office of the Under Secretary of Defense
PBA	Performance Based Agreement
PBL	Performance Based Logistics
PBRG	Program Budget Review Group
PDMI	Product Data Management Initiative
PMR	Program Management Review
POAM	Plan of Action and Milestones
POC	Point of Contact
QDR	Quadrennial Defense Review
R&A	Review and Analysis
RMP	Reutilization Modernization Program
SCA	Supply Chain Alliance
SCI	Supply Chain Integration
SDP	Strategic Distribution Platform
SES	Senior Executive Service
SMSG	Strategic Material Sourcing Group
SRM	Supplier Relationship Management
SSA	Strategic Supplier Alliance
TDP	Theater Distribution Platform
TEB	Transformation Executive Board
TLCSM	Total Life Cycle System Management
VTC	Video Teleconference
WT	Workforce Transformation

Appendix B - DLA Initiatives Matrix to DoD Focused Logistics Joint Functional Concept (FL JFC) Challenge Areas and Capabilities

DLA INITIATIVE	FL CHALLENGE AREAS	FL CAPABILITIES
Customer Relationship Management (CRM)	Agile Sustainment; Joint Theater Logistics Management	Integrated cross-service logistics; COCOM decision support and visibility; full collaboration across the Services/DoD
Supplier Relationship Management (SRM)	Agile Sustainment; Joint Deployment/ Rapid Distribution; Force Health Protection	Flexible industrial base; tailored sustainment; precision tactical re-supply; interoperability across services; civilian collaboration; integration of EA, CLS and host nation support
Business Systems Modernization (BSM)	Agile Sustainment; Joint Deployment/ Rapid Distribution; Operational Engineering; Multinational Logistics; Information Fusion	Net-centric; real-time E2E pipeline control; interoperable source data; availability of quality data; actionable information; rapid access to logistics information; rapid access to integrated operational view; requisition visibility
BSM – Energy (Business Systems Modernization Energy – BSM E)	Agile Sustainment; Joint Deployment/ Rapid Distribution; Joint Theater Logistics Management; Multinational Logistics; Information Fusion.	Integrated cross-service logistics; COCOM decision support and visibility; full collaboration across the Services/DoD
Distribution Planning & Management System (DPMS)	Agile Sustainment; Joint Deployment/ Rapid Distribution; Operational Engineering; Multinational Logistics; Information Fusion; Joint Theater Logistics Management	Robust infrastructure for mobility; world-wide sustainment assets; force reconstitution; integrated distribution processes
Integrated Data Environment (IDE)	Agile Sustainment; Joint Deployment/Rapid Distribution; Multinational Logistics; Force Health Protection; Information Fusion; Joint Theater Logistics Management	Net-centric; real-time E2E pipeline control; interoperable source data; availability of quality data; actionable information; rapid access to logistics information; rapid access to integrated operational view; requisition visibility
National Inventory Management System (NIMS)	Agile Sustainment; Joint Deployment/ Rapid Distribution; Multinational Logistics; Joint Theater Logistics Management	Flexible industrial base; tailored sustainment; precision tactical re-supply; interoperability across services; civilian collaboration; integration of EA, CLS and host nation support

DLA INITIATIVE	FL CHALLENGE AREAS	FL CAPABILITIES
Product Data Management Initiative (PDMI)	Agile Sustainment; Joint Deployment/ Rapid Distribution; Multinational Logistics	Flexible industrial base; tailored sustainment; precision tactical re-supply; interoperability across services; civilian collaboration; integration of EA, CLS and host nation support
Global Stock Positioning (GSP)	Agile Sustainment; Joint/Deployment/ Rapid Distribution; Multinational Logistics; Joint Theater Logistics Management	Robust infrastructure for mobility; world-wide sustainment assets; force reconstitution; integrated distribution processes
Executive Agent (EA)	Agile Sustainment; Joint Deployment/ Rapid Distribution; Operational Engineering; Joint Theater Logistics Management	Flexible industrial base; tailored sustainment; precision tactical re-supply; interoperability across services; civilian collaboration; integration of EA, CLS and host nation support
Workforce Transformation (WT)	Agile Sustainment; Joint/ Deployment/Rapid Distribution; Multinational Logistics; Force Health Protection; Logistics Information Fusion; Joint Theater Logistics Management	Supports all capabilities.
Reutilization Modernization Program (RMP)	Agile Sustainment; Multinational Logistics; Information Fusion; Joint Theater Logistics Management	Integrated cross-service logistics: COCOM decision support and visibility; full collaboration across the services/DoD
Base Realignment and Closure (BRAC)	Agile Sustainment; Joint/ Deployment/Rapid Distribution; Multinational Logistics; Joint Theater Logistics Management	Flexible industrial base; tailored sustainment; precision tactical re-supply; interoperability across services

Appendix C - Corporate Board

1. **OBJECTIVES.** The Corporate Board sets the agency direction and actively oversees execution of the DLA mission. The board supports the Director through decisions, deliberations and advice related to:

- Agency mission and strategic goals
- Agency performance against key performance and financial targets
- Agency policy, strategies, initiatives and measures for effective performance
- Risk mitigation and management
- Effective and efficient resource, facility, and human capital planning and deployment
- Alignment of resources with strategies and objectives
- Internal and external communications
- Maintaining favorable labor relations and employee quality of work life

2. **MEMBERSHIP.** The Corporate Board is the agency’s senior leadership management team. It consists of the following members:

Director, DLA	Command Sergeant Major
Vice Director, DLA	General Counsel
Director, Enterprise Transformation	Director, DLA Enterprise Support
Comptroller	Commander, DDC
Director, Customer Operations and Readiness	Commander, DESC
Director, Human Resources	Commander, DSCC
Director, Information Operations	Commander, DSCP
Director, Logistics Operations	Commander, DSCR
Director, Joint Reserve Forces	Commander, DRMS
Senior Procurement Executive	

3. **MEETINGS.** The Board meets monthly from 8 a.m. - 4 p.m.. The Director chairs the Corporate Board. Support for the meetings, including development of the proposed agenda, will be provided by the Director’s Staff Group. Regular board meetings will address:

- Recurring Review and Analysis, Program Manager Reviews, Internal Support

Reviews, Director’s Top Ten;

- Reports from permanent supporting committees and process owners on major initiatives, such as Program Budget Review Group and BSM Briefs to the Director; and,
- Proposals presented by the proponent on new or revised policy, initiatives or resources for decision by the Board.

The board also meets twice yearly for a multi-day Senior Leaders Conferences which include all DLA Senior Executive Service members and the Director’s Senior Staff. One special meeting per year is conducted for a members-only self-assessment of the performance of the board.

4. **MEMBER RESPONSIBILITIES:** Members evaluate the merits of all issues under consideration, exercising their best professional technical skills and business judgment. Member responsibilities include the reconciliation of competing interests. Member participation and performance are addressed in individual evaluations.

5. **PROPONENT RESPONSIBILITIES.** Proponents for proposals fully develop their proposal by identifying options, benefits, tradeoffs, schedules and impacts. Proponents coordinate their proposal with board members in sufficient time to allow for substantive discussion and the incorporation of comments prior to presentation. Where review is appropriate by a supporting committee, the proposal will be made to that committee prior to presentation to the Corporate Board. Proponents are responsible for development and securing approval for strategies, supporting research and analysis, implementation of the approved strategies and projects, and for monitoring and reporting progress. Approved proposals will be incorporated into DLA plans and budget submissions.

6. **DECISIONS.** Board decisions will be documented and communicated to the staff and workforce via meeting minutes and news articles for broad dissemination.

Appendix D - Transformation Executive Board (TEB)

1. **PURPOSE.** The Transformation Executive Board and its executive body, the Partners Group are chartered by the Director and Expanded Corporate Board to provide the leadership, management and resources to ensure the successful delivery of all the agency's transformation initiatives:

Responsibility, authority and accountability for existing or emerging modernization initiatives that are cross-agency or cross-J code in nature will be assigned to the TEB as directed by the Director or Corporate Board. Initiatives currently outside the scope of the TEB include A-76 and the operationalization of enterprise services.

2. **GOALS AND OBJECTIVES.** The strategic goals of DLA's transformation objectives and the overarching mission of the TEB and Partners Group are to deliver an agency that is a world-class:

- customer-driven logistics support activity
- supply chain integrator,
- single, tightly integrated enterprise, and
- seamless partner in the extended DoD supply chain.

To achieve these goals, DLA will:

- re-engineer processes across the agency to best practices – commercial or public sector,
- employ world-class systems information technology capabilities,
- align the agency's organizational structure with its evolving business model,
- transform the agency workforce to one that has all the knowledge, skills and abilities to succeed in the new business environment,
- engage the agency's customers and suppliers as partners throughout the transformation journey, and

- adopt metrics to align performance with the new business objectives.

To these ends the TEB and Partners Group will:

- ensure coordination, synchronization and integration of all transformation efforts,
- resolve issues arising from transformation, and
- within the context of this charter, serve as the primary agency-wide forum for enterprise transformation deliberations and decision making.

3. **GOVERNANCE.** The TEB consists of a main membership body led by a smaller executive group, the Partners Group. The Partners Group, TEB principals and voting membership includes:

- Director, Enterprise Transformation (DT)
- Director, Enterprise Support (DES)
- Director, Human Resources (J-1)
- Deputy Director, Logistics Operations (J-3)
- Director, Customer Operations (J-4)
- Director, Information Operations (J-6)
- Comptroller, Financial Operations (J-8)
- Director, Defense Energy Support Center (DESC)
- Deputy Commander, Defense Distribution Center
- Deputy Commander, Supply Chain Owner for Land and Maritime
- Deputy Commander, Supply Chain Owner for Troop Support
- Deputy Commander, Supply Chain Owner for Aviation
- Executive Director, Defense Reutilization and Marketing Service
- Systems Integrators/External Service Providers as indicated by the meeting schedule

In addition to the above, non-voting TEB membership includes:

- Deputy Director, Enterprise Transformation (DT)
- Executive Director, Acquisition, Technical and Supply Directorate
- Executive Director, Business Modernization (J-35)
- Process Integrators
- All Process Owners
- Program Executive Officer (J-62)
- All Program Managers

A primary objective of the TEB is the synchronization of modernization activity and sharing of information across the agency. As such, the following have standing invitations to fully participate in TEB deliberations:

- All DLA SES, Flag and General rank officers
- Commander, Defense Logistics Information Service
- Director, Defense Automation and Printing Service
- Director, Defense Automatic Addressing System Center (DAASC)
- Commander, DLA Europe
- Commander, DLA Pacific
- Commander, DLA Central

The TEB will meet every two weeks throughout the year. Partners meetings will occur at least once a month and additionally, as-needed. The Partners Group is designed to address modernization topics that require the consideration of the TEB principals only.

TEB and Partners Group members are expected to participate in these sessions as matter of routine. However, principals who are prevented from attending should designate a person from their organization to represent and

vote for them during meetings.

The TEB and Partners Group are chaired by the Director of Enterprise Transformation (DT) who will:

- ensure these forums support the agency goals and objectives cited above,
- set meeting dates, locations and agendas in coordination with all principals, including convening emergency sessions as required,
- arrange for meeting facilities,
- coordinate the flow of pre-meeting information sufficiently in advance of each session to provide principals adequate time to prepare for decision briefs, and
- document action items, decisions, agreements, open issues and the minutes of each session.

In the Director of Enterprise Transformation's absence, the Director of Information Operations (J-6) will chair TEB and Partners Group sessions and coordinate emergency sessions.

TEB and Partners Group decisions and agreements will normally be made through consensus. Consensus means all members are able to fully commit themselves to supporting the decision. When consensus is not achievable within a reasonable period of time, the chair will call for a vote of the principals and then determine if the issue will be referred to the Director. The chair's criteria for referring a decision to the Director for final resolution will be one or more principal's inability to commit themselves to supporting the decision. When this occurs, the chair will arrange the scheduling and will assure that all principals' views are clearly laid out in the briefing and/or papers presented to the Director.

Appendix E - Supply Chain Integration (SCI) Group

1. **PURPOSE.** The Supply Chain Integration forum has the responsibility, authority and accountability to the TEB to execute assigned aspects of DLA's BSM Strategy, including:

1. assuring the Agency's end-state vision is delivered,
2. facilitating re-engineering of processes,
3. ensuring coordination and integration among transformation/modernization efforts as they relate to BSM,
4. serving as a standing forum for enterprise communication,
5. shaping the corporate culture to attain the DLA vision, and
6. providing the direction and focus to ensure that transformation efforts contribute to an enterprise-wide architecture (both business and systems architectures).

To achieve the stated purpose, SCI activities are comprised of three major focus areas:

- a. **Decision Making:** The SCI serves as a decision-making forum for topics which do not require TEB-level deliberation. The SCI will provide the TEB, either through the SCI minutes and/or short updates at TEB sessions, with a summary of decisions made and actions taken.
- b. **Pre-TEB Integration:** The SCI serves as a forum to discuss topics headed for future TEB sessions. This provides the opportunity for cross process/cross initiative discussions and for necessary adjustments to be made prior to the TEB. SCI members are able to prepare their senior executives for the coming TEB session. In addition, the SCI provides speakers a live environment to deliver/prepare briefings prior to the

TEB and receive feedback.

- c. **Integration:** The SCI serves as an integration forum for transformation initiatives that relate to BSM. Integration activities take the form of information sharing, working sessions on specific issues, decision-making, and identifying topics requiring TEB attention.

2. **PRODUCTS.** The products of the SCI are documented decisions and actions. The Deputy Director, Enterprise Transformation (DT) will document these decisions and actions in minutes after each meeting and will follow-up on action item status.

3. **PROCESS.**

- a. Proposed agenda topics will be sent to the Deputy Director, Enterprise Transformation who is the chair of the SCI. The chair will prepare, provide and vet the proposed agenda with the SCI members. The chair will issue the final agenda and is responsible for arranging the meeting times and locations. Members leading agenda topic discussions intended to obtain a decision from the SCI are responsible for providing discussion framework and background information five (5) working days prior to the meeting so members can prepare for the dialogue.
- b. The preferred method for reaching decision or agreement will be through consensus. Consensus does not mean all members are in agreement, but that they are committed to the decision. When consensus is not possible within a reasonable period of time, the chair will make the decision or designate that the issue will be referred to the TEB. SCI members will fully support and execute

- decisions and actions.
- c. Members are expected to communicate and sponsor the decisions and actions of the SCI. Each member will relay information from the meetings to his/her respective staff, and will actively explain and be a proponent for the decisions. Each member will also relay pertinent information to his/her superiors.
 - d. Members are expected to make the SCI a priority transformation event and be in attendance to the maximum extent possible. When members cannot be in attendance, they will provide a representative who will be authorized to act on their behalf.
 - e. The chair is responsible for convening any “emergency session” to address issues that are time sensitive and cannot wait for the next regularly scheduled SCI. These meetings can be by VTC, teleconference or in person. Any member may request that an emergency meeting be convened by the chair.

4. **SCI SCHEDULE.** The SCI will meet every two weeks.

5. **CHAIR.** The SCI will be chaired by the Deputy Director of Enterprise Transformation.

6. **MEMBERSHIP OF THE SCI.** The focus of the SCI is broad in that it covers transformation initiatives that relate to BSM and impacted sites/organizations. Thus, over time, the specific membership of the SCI will evolve and fluctuate according to the activity associated with the agency’s transformation. A guideline for identifying targeted membership follows.

- Site Transformation Chiefs/Team Leaders (DSCC/DSCP/DSCR/DDC/DLIS/DRMS/DESC/DES)
- HQ Transformation Chiefs/Team Leaders
- Program Managers of Transformation Initiatives
- HQ Process Integrators
- HQ Process Owners
- Enterprise Transformation office

SCI members may bring individuals with them to meetings to assist in discussion topics.



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